

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 CAB-02 CIAE-00 COME-00

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FM AMEMBASSY PARIS

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INFO AMEMBASSY BONN

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AMEMBASSY MADRID

AMEMBASSY ROME

FAA BRUSSELS

USMISSION EC BRUSSELS

USMISSION GENEVA

AMCONSUL BORDEAUX

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E.O. 11652: N/A

TAGS: EAIR, EIND, FR, US

SUBJECT: US-FRENCH AEROSPACE COOPERATION

REF: PARIS 26471

1. SUMMARY-THIS TEL REPORTS VARIOUS DEVELOPMENTS UP-
DATING WHAT WE KNOW ABOUT THE MERCURE 200 PROJECT.
END SUMMARY

2. AMCONSUL BORDEAUX HAS CALLED EMBASSY'S ATTENTION TO
TWO RECENT ARTICLES ON US-FRENCH AEROSPACE COOPERATION
APPEARING IN TOULOUSE PRESS THAT STRANGELY ENOUGH
FAILED TO FIND ECHO IN PARIS PRESS. FIRST ARTICLE,
PUBLISHED SPET. 9 IN LA DEPECHE DU MIDI, REPORTED ADAM
BROWN, DIRECTOR OF SALES AT AIRBUS INDUSTRIE, AS STATING
THAT AIRBUS INDUSTRIE HAD BROKEN OFF TALKS WITH US
CONSTRUCTORS ANDHAD DEFINITELY ABANDONED ANY STUDY OF
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POSSIBLE CONSTRUCTION WITH US PARTNER OF SMALLER VERSION

(B-10) OF AIRBUS. BROWN, SPEAKING WITH FRENCH JOURNALISTS AT FRANBOROUGH AIR SHOW, SAID REASON WAS THAT US CONSTRUCTORS HAD ULTERIOR MOTIVES AND HAD USED TALKS TO CONFUSE POTENTIAL CLIENTS OF AIRBUS INDUSTRIE AS MEANS OF TRYING TO ELIMINATE AIRBUS INDUSTRIE FROM THE MARKET OVER THE LONG RUN.

3. IN INTERVIEW PUBLISHED IN LA DEPECHE DU MIDI ON SEPT. 14, STATE SECRETARY OF TRANSPORTATION CAVAILLE WAS ASKED TO COMMENT ON PRESS REPORTS OF BROWN'S REMARKS. CAVAILLE ISSUED "MOST FORMAL DENIAL" OF ACCURACY OF WHAT BROWN WAS REPORTED TO HAVE SAID. CAVAILLE SAID THAT ON THE CONTRARY BERNARD LATHIERE, MANAGING DIRECTOR OF AIRBUS INDUSTRIE, HAD CONFIRMED TO HIM THAT NEGOTIATIONS WERE CONTINUING "NORMALLY" BETWEEN AIRBUS INDUSTRIE AND BOEING ON THE ONE HAND, AND WITH DOUGLAS ON THE OTHER HAND. (COMMENT: WE WERE UNAWARE THAT ANY TALKS WERE STILL GOING ON WITH BOEING.)

R. CAVAILLE WAS ASKED ABOUT SNIA'S ROLE IN DEVELOPMENT OF MERCURE 200. HE REPLIED THAT SINCE MERCURE 200 WOULD BE A DERIVATIVE OF MERCURE 100 THAT HAD BEEN DESIGNED AND BUILT BY DASSAULT, GOF FELT THAT IT WAS ONLY NORMAL THAT DASSAULT HAVE "PREDOMINANT ROLE IN DEFINITION OF THE AIRCRAFT." AFTER NOTING THAT SNIA WOULD STILL GET ABOUT 40 PERCENT OF THE WORK ON THE MERCURE 200 PROJECT, CAVAILLE SAID THAT ANYWAY THE FINAL "FRENCH TECHNICAL DEFINITION OF THE AIRCRAFT" WAS STILL TO BE DETERMINED BASED ON THE NEEDS OF THE CARRIERS THAT WOULD BE EVENTUAL PURCHASERS OF THE AIRCRAFT. "IF THERE ARE TECHNICAL SHORTCOMINGS IN THE PRESENT PROJECT, WHICH I HAVE NO REASON TO BELIEVE AT THIS TIME IS THE CASE," SAID CAVAILLE, "THE AIRLINES WILL NOT FAIL TO BRING THESE MATTERS TO OUR ATTENTION." CAVAILLE EXPRESSED ASTONISHMENT THAT ANYONE COULD FAIL TO REALIZE THAT CARRIER NEEDS WERE THE PARAMOUNT CONSIDERATION FOR DETERMINING THE KIND OF AIRCRAFT TO BE BUILT, "SINCE THE FAILURES OF THE PAST OUGHT TO HAVE SERVED AS LESSONS." (COMMENT: ONE WONDERS SOMETIMES WHETHER CAVAILLE REALIZES WHAT HE IS SAYING, FOR HIS REMARKS LIMITED OFFICIAL USE

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ARE AN OPEN INVITATION FOR AN EXPRESSION OF ASTONISHMENT THAT THE GOF WOULD OPT FOR THE BASIC TECHNICAL CONFIGURATION OF THE MERCURE 200, DECIDE WHO THE PARTNERS WOULD BE, ANNOUNCE THE PROJECT WITH SOME FANFARE AND CROW THAT THERE WOULD BE A MARKET FOR SOME 800 AIRCRAFT WITHOUT, NOW BY CAVAILLE'S OWN ADMISSION, HAVING FIRST CANVASSED CARRIERS TO LEARN THEIR NEEDS AND DESIRES FOR A NEW MEDIUM-RANGE AIRCRAFT AND THEN CONDUCT A MARKET SURVEY

CENTERING ON THE MERCURE 200 DESIGN. SINCE THE FRENCH HAVE A GENIUS OF LATE FOR DESIGNING AND BUILDING CIVIL TRANSPORT AIRCRAFT FOR WHICH THERE IS NO SIGNIFICANT MARKET (AND FOR WHICH NO SERIOUS MARKET SURVEYS WERE CONDUCTED), E.G., CONCORDE, MERCURE 100, AND TO A LESSER DEGREE AIRBUS, THERE IS BASIS FOR SOME WONDER WHETHER THE GOF HAS IN FACT LEARNED FROM THE PAST OF, INSTEAD, MIGHT BE ABOUT TO MAKE THE SAME ERRORS ALL OVER AGAIN WITH THE MERCURE 200.)

5. AFP REPORTS FROM TOULOUSE THAT SOCIALIST AND COMMUNIST MEMBERS OF THE CONSEIL GENERAL OF THE HAUTE GARONNE ADOPTED RESOLUTION SEPT. 21 CRITICIZING THE MERCURE 200 PROJECT AS NOW CONCEIVED FOR NEGLECTING MAKE USE OF THE DESIGN STAFF AND TEST FLIGHT CENTER AT SNIAS. RESOLUTION ASKS GOF TO RENEGOTIATE THE PROJECT, AND IN SO DOING ENSURE THAT ANY COOPERATION WITH US FIRMS IS "ON BASIS OF STRICT EQUALITY" AND SUBJECT TO EVENTUAL AGREEMENT WITH ANY EUROPEAN PARTNERS. (COMMENT: THE POSSITION OF THE UNIONS AND OF THE LEFT TOWARD US PARTICIPATION IN THE MERCURE 200 PROJECT REMAINS EQUIVOCAL AT BEST.)

6. WE HAVE ALSO NOTED AFP FILING UNDER BRUSSELS DATE-LINE SEPT. 20 REPORTING THAT EUROPEAN METALLURGISTS' FEDERATION HAS TAKEN POSITION SUPPORTING FRENCH TRADE UNIONS' OPPOSITIONS TO MERCURE 200 PROJECT AND COLLING ON EC INSTITUTIONS AND MEMBER GOVERNMENTS TO CLOSE RANKS AND DEVELOP A COMMON PROGRAM FOR EUROPEAN AIRCRAFT INDUSTRY.

7. EMBOFF WHO ATTENDED FARNBOROUGH AIR SHOW WAS TOLD THERE BY SENIOR EXECUTIVE OF MCDONNELL DOUGLAS THAT LIMITED OFFICIAL USE

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DOUGLAS HAD BEEN A BIT TAKENNA BACK AT ABRUPTLY RECEIVING COMMUNICATION FROM GOF ADVISING THAT DOUGLAS HAD BEEN PICKED AS PARTNER FOR THE MERCURE 200 PROJECT. HE SAID THAT DOUGLAS HAD BEEN--AND STILL WAS--FAR FROM FINAL AGREEMENT WITH THE FRENCH AND AS EVIDENCE OF HOW TENTATIVE THINGS WERE HE STRESSED THAT DOUGLAS HADN'T EVEN DONE A MARKET SURVEY YET TO DETERMINE WHETHER DEVELOPMENT OF THE MERCURE 200 WOULD BE COMMERCIALY WORTHWHILE. (COMMENT: THIS FURTHER CONFIRMS WHAT WE WERE TOLD BY A LOWER-LEVEL DOUGLAS OFFICIAL AS REPORTED REFTEL.)
RUSH

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